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# LARRY CRAIG

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NEWS RELEASE

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## **CRAIG VOTES FOR HOUSING CRISIS RELIEF BILL PASSAGE**

### **-- Craig-Cosponsored Renewable Energy Tax Credit Also Passes --**

WASHINGTON, D.C. – Idaho Senator Larry Craig today voted with a majority in the U.S. Senate to pass a housing relief bill aimed at restoring the housing industry and helping struggling homeowners hold onto their homes.

“The Senate bill is the correct approach for reversing the housing downturn that is dragging down our economy,” Craig said of the bill which passed by a vote of 84 to 12. “This downturn is resulting in families either losing their homes outright or losing a portion of their homes’ values. It is causing layoffs and jobs losses in the construction industry and resulting in revenue losses for cities now hard-pressed to deliver essential services.”

Craig, terming the housing industry “the driver of our economy,” said the Senate-passed bill is a major improvement over the so-called economic stimulus measure which he opposed in February because it did not address the problems within the housing industry.

“Unlike the flawed stimulus bill which simply authorized sending an average \$300 check to most Americans to spend at their discretion, today’s bill works through the marketplace to address the housing industry’s problems,” Craig said. “I’m optimistic it will provide needed relief.”

The Senate, by a vote of 88 to 8, also included in the housing bill an amendment cosponsored by Craig for a one-year extension of the renewable energy production tax credits (PTC) to aid in the development of wind, geothermal, solar and other alternative energy production. “Idaho benefits from nearly every provision in this tax cut, and it provides yet another step toward reducing our dependence on foreign oil,” Craig said.

The major provisions of the Senate-passed housing crisis relief bill include:

- A \$7,000 tax credit over two years to purchase homes in foreclosure or when foreclosure proceedings begin. This provision originated in the Security Against Foreclosures and Education (SAFE) Act which Craig joined in introducing in the Senate last month.
- Property tax relief for homeowners who do not itemize their taxes.
- \$10 billion in bond authority and authorization to allow mortgage revenue tax-exempt bonds to be used to refinance subprime loans, mortgages for first-time homebuyers and multi-family rental housing.

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- Carry-back provisions for homebuilders and other housing-related businesses losing money in 2008 and 2009 to offset taxes paid in the previous four years. Current law limits the carry-back to two years.
- Overhaul of the Federal Housing Administration (FHA) by incorporating legislation already passed by the House and Senate authorizing FHA to help more borrowers refinance their mortgages into FHA-backed loans carrying lower interest rates.
- \$4 billion in Community Development Block Grants which could be used by local governments to purchase and rehabilitate foreclosed properties.
- \$100 million for expanded counseling for mortgage borrowers at risk of default.
- Relief for soldiers returning from service for additional time before lenders could start foreclosure proceedings, and one year of relief for troops from rising interest rates.

The Senate bill now goes to the U.S. House of Representatives which is writing its own version of a housing assistance measure. Differences between the two pieces of legislation will have to be reconciled before a final version is sent to President Bush for his signature.